



U.S. Department of Justice

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**For Immediate Release:**

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**EVENT: Settlement**

**Defendant:**

**\$41 Million Settlement with ABN AMRO Mortgage Group, Inc. Involving  
Federally Insured Mortgages**

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ABN AMRO Mortgage Group, Inc. (ABN), has agreed to a settlement with the United States valued at more than \$41 million, including a payment of \$16.85 million in cash and an estimated \$24.35 million in waived government insurance claims for 783 defaulted mortgages, arising out of a False Claims Act case concerning over 28,000 federally insured mortgages, United States Attorney Stephen J. Murphy and the Department of Justice announced today.

The payment by ABN is one of the largest ever obtained in a civil settlement by the U.S. Attorney's Office of the Eastern District of Michigan under the False Claims Act. ABN AMRO Mortgage Group, Inc. is a subsidiary of LaSalle Bank Midwest, N.A. based in Troy, Michigan. The agreement announced today settles allegations that ABN made false certifications to the United States Department of Housing and Urban Development (HUD) in connection with 28,097 federally insured mortgages. The government alleged that 229 of the falsely certified mortgages led to defaults which

were insured by HUD, resulting in losses to HUD of \$6.25 million.

ABN worked cooperatively with the government to reach this settlement. They assisted in the investigation and identified the 28,097 loans at issue.

“This settlement shows this District’s serious commitment to stamping out fraud and maintaining the integrity of the federally insured mortgage program. This Office will continue to use all tools available to it, including civil enforcement, to protect all government programs and the people who benefit from them.” said U. S. Attorney Stephen J. Murphy.

Under the affected mortgage program, HUD insures participating lenders against losses resulting from loans to qualified borrowers. HUD regulations make it mandatory that ABN underwriters make certain required certifications before the loans are insured. The government alleges that ABN falsely certified that it had properly underwritten 28,097 loans. Specifically, that ABN employees certified loans that had not completed the underwriting process.

“HUD’s vital mortgage insurance programs assist banks that make the American dream of home ownership accessible to more people, but banks must follow HUD’s rules,” said Peter D. Keisler, Assistant Attorney General for the Justice Department’s Civil Division. “This agreement demonstrates the Department’s determination to hold banks accountable when they abuse HUD’s trust and damage its programs.”

U.S. Attorney Stephen J. Murphy thanked the Department of Justice, HUD, the Office of the Inspector General of HUD (HUD OIG), and the Office of Comptroller of the Currency (OCC). The United States was represented in this civil matter by Assistant United States Attorney Leslie Matuja Wizner, and Justice Department Civil Attorney David Leviss.

Copies of the settlement agreement may be obtained from the U.S. Attorney’s Office.